

JUL 25 2001

**Before the State of South Carolina
Department of Insurance**

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

In the matter of:

SCDI File Number 108728

Liberty Life Insurance Company,

2000 Wade Hampton Boulevard
Greenville, South Carolina 29615.

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Liberty Life Insurance Company, an insurer licensed to transact insurance business within the State of South Carolina.

Liberty Life hereby admits, and I find as fact, that it failed to timely file its June 2001 Quarterly (annual adjusted) Tax Return Installment. Liberty Life maintains its action was completely unintentional and that, once the error was discovered, the insurer sent its tax return to the Department via overnight delivery so the return could be filed as soon after the deadline as possible. Liberty Life previously had failed to timely file a previous installment with the Department in 1998, for which it was given a first-offense warning letter.

Rather than contesting this matter, the parties have agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that Liberty Life would immediately submit an administrative penalty to the Department in the total amount of \$1,000.

S.C. Code Ann. § 38-7-60(3) (Supp. 2000) in pertinent part states "[t]he premium and other taxes imposed on insurers pursuant to Sections 38-7-20, 38-7-30, 38-7-40, 38-7-50, and 38-7-90 must be paid to the Director or his designee in quarterly installments on or before March first, June first, September first, and December first of each calendar year."

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that Liberty Life did violate S.C. Code Ann. § 38-7-60(3) (Supp. 2000). Accordingly, I hereby impose an administrative penalty in the amount of \$1,000 against Liberty Life pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If Liberty Life does not pay that total amount on, or before, that date, then Liberty Life's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

The parties have reached this agreement in consideration of Liberty Life having not untimely filed a tax return since 1998 and of the company's assurance that it will timely file each of its future tax returns with the Department. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The parties

expressly agree and understand Liberty Life's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, Liberty Life acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Liberty Life Insurance Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.

July 25, 2001
Columbia, South Carolina

Ernst N. Csiszar
Director

I CONSENT:

Kenneth W Jones
Signature of Authorized Representative

KENNETH W. JONES
Name

Treasurer
Title

Liberty Life Insurance Company
2000 Wade Hampton Boulevard
Greenville, South Carolina 29615

Dated this 23rd day of July, 2001